

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other Employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing Agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

OBJECTIVES OF THE COMMITTEE

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director
- v. And authorize related head to appoint Key Managerial Personnel and Senior Management Positions in accordance with the criteria laid down in this policy.
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

DEFINITIONS

- i. **'Board'**: Board means Board of Directors of the Company.
- ii. **'Committee'**: Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- iii. **'Company'**: Company means Veto Switchgears and Cables Limited.
- iv. **'Director'**: Director means Directors of the Company.
- v. **'Independent Directors'**: As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent Director' shall mean a non-executive director, other than a nominee director of the Company:

- A. Who, in the opinion of the Board, is a person of integrity and possess relevant expertise and experience;
- B. (i) Who is or was not a promoter of the Company or its holding or subsidiary Company;
(ii) Who is not related to promoters or directors in the Company or its holding or subsidiary Company;

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- C. Apart from receiving the Director's remuneration, has or had no pecuniary relationship with the Company, its holding or subsidiary Company, or their promoters, or Directors, during the two immediately preceding financial year or during the current financial year;
- D. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding or subsidiary Company, or their promoters, or Directors, amounting to two percent. Or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, **whichever is lower**, during the two immediately preceding financial year or during the current financial year;
- E. Who, neither himself nor any of his relatives-
- i. holds or has held the position of a key Managerial personnel or is or has been employee of the Company or its holding or subsidiary Company in any of the three financial years immediately preceding the financial year in which I was appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which I was appointed of –
 - A. A firm of auditors or company secretaries in practice or cost auditor of the company or its holding or subsidiary company;
 - B. Any legal or a consulting firm that has or had any transaction with the Company or its holding or subsidiary company amounting to ten percent or more of the gross turnover of such firm;
 - iii. holds together with his relatives two percent or more of total voting power of the Company; or
 - iii. is a Chief Executive or a Director, by whatever name called, of any non-profit organization that receives twenty- five percent or more of its receipts from the Company, any of its promoters, directors, or its holding or subsidiary company or that holds two percent or more of the total voting power of the company; or
 - iv. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- F. Who is not less than 21 years of age.

vi. 'Key Managerial Personnel': Key Managerial Personnel means-

- a) The Chief Executive Officer or the managing director or the manager;
- b) The Company Secretary;
- c) The Whole-time Director;
- d) The Chief Financial Officer; and
- e) Such other officer as may be prescribed under the applicable statutory provisions/regulations

vii. 'Senior Management': means personnel of the Company who are members of its Core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

APPLICABILITY

This Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted on August 22, 2012. At present, Nomination and Remuneration Committee comprises of Following Directors:

- a) Mr. Govind Ram Thawani
- b) Mr. Murlidhar Kaurani
- c) Mr. Mohan Sukhani

APPOINTMENT AND REMOVAL CRITERIA

- The Committee shall consider the different skills, qualification, professional experience, knowledge etc. of a person for appointment as Director and accordingly recommend to the Board his/her appointment.
- The Company should that the Person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- Director/Independent Director/KMP/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of Sixty Years and shall not appoint Independent Director who has attained the age of Seventy Years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders by passing a special resolution based on explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Sixty years/Seventy years as the case may be.
- A whole-time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.

TERM/ TENURE

1. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

